

NOTICE OF OPEN AND CLOSED MEETING

Wisconsin Ethics Commission

212 East Washington Avenue, Third Floor
Madison, Wisconsin
Friday, September 14, 2018, 9:00 a.m.

Open Session Agenda

- A. Call to Order
- B. Report of Appropriate Meeting Notice – Staff Counsel
- C. Biennial Budget 2019-21 Page 3
 - 1. Biennial Budget – Agency Budget Request Draft Page 9
- D. Campaign Finance System Options Update Page 51
- E. Closed Session
 - 1. Complaints and Investigations
- F. Adjourn

Future Ethics Commission Meetings Scheduled:

- Tuesday, December 4, 2018 at 9:00 AM

The Ethics Commission will convene in open session but may move to closed session under WIS. STAT. § 19.85(1)(c), (g), (h), or WIS. STAT. § 19.851. This notice is to inform the public that the Commission intends to convene in open session, but may move to closed session. The Commission plans to return to open session following that closed session, as outlined in the above agenda. WIS. STAT. § 19.85(2).

WIS. STAT. §§ 19.50 & 19.55(3) No employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subchapter III of ch. 13, or ch. 19.

WIS. STAT. § 19.85(1) Any meeting of a governmental body, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority vote in such manner that the vote of each member is ascertained and recorded in the minutes. No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session. A closed session may be held for any of the following purposes:

- (g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.
- (h) Consideration of requests for confidential written advice from the elections commission under s. 5.05 (6a) or the ethics commission under s. 19.46 (2), or from any county or municipal ethics board under s. 19.59 (5).

WIS. STAT. § 19.851(2) The commission shall hold each meeting of the commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the commission in closed session under this section.



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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DATE: For the September 14, 2018, Meeting
TO: Members, Wisconsin Ethics Commission
FROM: Daniel A. Carlton, Jr., Administrator
SUBJECT: Biennial Budget Submission for 2019-21

FOR COMMISSION ACTION

The Commission may:

1. Accept the portion of the budget proposal concerning the Act 201 5% budget reduction requirement that was amended based on Commission's feedback at the last meeting; or
2. Make alternative recommendations that will be included in the Commission's budget submission on September 17, 2018.

At the August 21, 2018, Commission Meeting, staff presented draft budget documentation to the Commission for its consideration and approval. Consistent with the information given to staff concerning preparation of the budget, staff prepared an alternative budget that reflected an across the board 5% reduction as required by Act 201. During discussion of the proposed budget, the Commission provided guidance to staff related to compliance with the Act 201 requirement portion of the budget documentation. That Act requires the Commission to essentially prepare two budgets: one that reflects 0% growth over the budget period; and an alternative that reflects a 5% budget reduction. The Commission provided certain instruction in the preparation of that budget submission and directed staff to prepare the necessary documentation. Due to the September 17, 2018, deadline to submit the budget documents, the Commission scheduled this meeting to consider the revised Act 201 Requirement alternative.

2018 Fiscal Year Budget

Before proceeding to the proposed submission, I'd like to review the 2018 Overview, so you can have a snapshot of our last complete fiscal year. On the table below, the column to the left demonstrates what was authorized by appropriation. There are two appropriations for GPR (General Appropriations and Investigations) and three Program Revenue appropriations for the following: Filing Fees, Materials & Services, and Lobbying. The middle column reflects what was budgeted for the Commission. In fiscal year 2018, the Commission was budgeted a total of \$1,330,901. The right column shows what was actually spent by the Commission. The Commission spent \$1,011,301 of the total appropriation.

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator
Daniel Carlton

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Appropriation	FY18 Budget	FY18 Actual
GPR Appropriation 101	\$606,801	\$606,801
GPR Appropriation 105- Investigations	\$225,000	\$43,979
PR Appropriation 120- Filing Fees	\$31,700	\$0
PR Appropriation 122- Materials & Services	\$4,500	\$4,500
PR Appropriation 123- Lobbying	\$462,900	\$356,021
	\$1,330,901	\$1,011,301

Biennial Budget for 2019-2021

Agencies are required to prepare three proposed budgets. The first budget includes the adjusted base plus all Decision Items and Standard Budget Adjustments. Pursuant to Act 201, we must present two additional budget scenarios: one that reflects 0% growth (includes *only* the adjusted base) and a second that reflects a 5% reduction to the adjusted base. It is important to note that no Decision Items or Standard Budget Adjustments are included in either Act 201 scenario. The 5% reduction proposal requirement is a reduction of 5% *each year*.

The following table shows the overall budget request, which includes the Adjusted Base plus all Standard Budget Adjustments and Agency Decision Items.

Appropriation	Fiscal Year 2020	Fiscal Year 2021
GPR Appropriation 101	\$704,600	\$704,600
GPR Appropriation 105- Investigations	\$225,000	\$225,000
PR Appropriation 120-Filing Fees	\$31,700	\$31,700
PR Appropriation 122- Materials & Services	\$4,500	\$4,500
PR Appropriation 123- Lobbying	\$507,600	\$507,600
	\$1,473,400	\$1,473,400

The Commission's budget for 2019-2021 has been updated to provide all the information that we have received from the Department of Administration as of the time of the preparation of this memo. The only portion of the budget that is still subject to change is the allocation for rent. Staff is waiting to receive this information from the State Budget Office. Otherwise, staff does not anticipate any further changes to this portion of the budget submission. For each of the two budget years addressed in this portion of the submission, the amount appropriated will be \$1,473,400.

As mentioned, the above chart contains the base budget plus 5 decision items. Those decision items are categorized two ways: Standard Budget Adjustments and Agency Decision Items. Standard Budget Adjustments are a category of cost changes common across all agencies that are considered

“housekeeping” in nature and are required to continue a base level of services into the next biennium. Each standard budget adjustment has rules set by the State Budget Office. This submission contains three Standard Budget Adjustments. The first Standard Budget Adjustment is referred to as the “Adjusted Base Funding Level.” Probably the simplest way of explaining that is that it’s akin to a cost of living increase for the agency. That number is provided to the Commission from the Department of Administration’s State Budget Office (SBO). The Commission’s Adjusted Base increases from \$1,330,901 to \$1,334,600.

The second Standard Budget Adjustment is entitled “Full Funding of Continuing Position Salaries and Fringe Benefits.” This item was included to seek a total of \$93,000 for each year to make sure that all staff positions are fully paid, and other areas of our budget are held harmless.

The final Standard Budget Adjustment is called “Funding of Lease and Directed Moves Costs.” This adjustment would account for increases or decreases in rent based on future rent costs. Those numbers have not yet been provided by SBO, however, they’re not anticipated to be a significant deviation from the preceding fiscal year.

There are two Agency Decision Items: Full Funding of the Administrator and Ethics Specialist New Hires, and Full Funding of Per Diem. The first item related to fully funding those positions is one that is necessitated, unfortunately, by pure circumstance. The Department of Administration put the numbers together based upon position compensation prior to the start date of the current Administrator and new Ethics Specialist. As a result, the Commission must submit an Agency Decision item to ensure that those two positions salaries are fully funded without affecting other areas of the Commission’s budget. That item is \$34,200 per year.

The second Agency Decision Item is the full funding of the Commission’s per diem expenses. The current budget does not contain enough funds to cover all the Commission’s statutorily required meetings dates or other ad hoc meetings that may be necessary. Therefore, this request is included to provide another \$1,600 per year for those expenses.

Standard Base Adjustments & Decision Items	Amount
Standard Budget Adjustment 2000 Adjusted Base Funding Level	\$1,344,600
Standard Budget Adjustment 3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$93,000
Standard Budget Adjustment 3010 Funding of Lease and Directed Moves Costs	TBD
Agency Decision Item 4000 Full Funding of the Administrator and Ethics Specialist New Hires	\$34,200
Agency Decision Item 4001 Full Funding of Per Diem	\$1,600

2019-2021 Biennial Budget Act 201 0% Change

The zero percent growth proposal simply presents the Adjusted Base proposal of the budget request.

Appropriation	Adjusted Base (per year)
GPR 101	\$618,400
GPR 105 Investigations	\$225,000
PR 120 Filing Fees	\$31,700
PR 122 Materials & Services	\$4,500
PR 123 Lobbying	\$465,000
	\$1,344,600

2019-2021 Biennial Budget Act 201 5% Reduction

The source of the Commission’s discussion at the last meeting was the second part of the Act 201 budget submission which would represent a 5% reduction. The following addresses the guidance given by the Commission concerning the portion of the budget reflecting a 5% reduction in this memo.

The Commission expressed concern about a reduction in staff salaries and a potential significant reduction in the Investigations Appropriation. Staff was directed to prepare an alternative reduction plan that did not affect staff salaries, and which did not represent a major reduction in the Commission’s Investigations Appropriation. Consistent with that direction, staff is proposing the following reductions:

Appropriation	Adjusted Base (per year)	5% Reduction (per year)
GPR 101	\$618,400	\$0
GPR 105 Investigations	\$225,000	-\$25,000
PR 120 Filing Fees	\$31,700	\$0
PR 122 Materials & Services	\$4,500	\$0
PR 123 Lobbying	\$465,000	-\$42,300
	\$1,344,600	-\$67,300

Under the 5% reduction plan, budgetary calculations begin with the Adjusted Base. As you may have noticed above, the base adjusted budget totals \$1,344,600. To comply with the 5% budget reduction requirement, the Commission must eliminate a total of \$67,300 per year. Consistent with the Commission’s instructions to hold staff salaries harmless and to minimize the impact upon the investigations appropriation, the chart above provides a possible plan to reduce the Investigations Appropriation in a minimal fashion (\$25,000). The other area that is reduced is the Lobbying Appropriation (\$42,300). Over the biennium, the reductions would thus be \$50,000 total from the Investigations Appropriation and \$84,600 from the Lobbying Appropriation.

The first appropriation, GPR 101, is the appropriation from which much of the staff salaries and daily operations come. Therefore, consistent with the Commission’s guidance, that appropriation

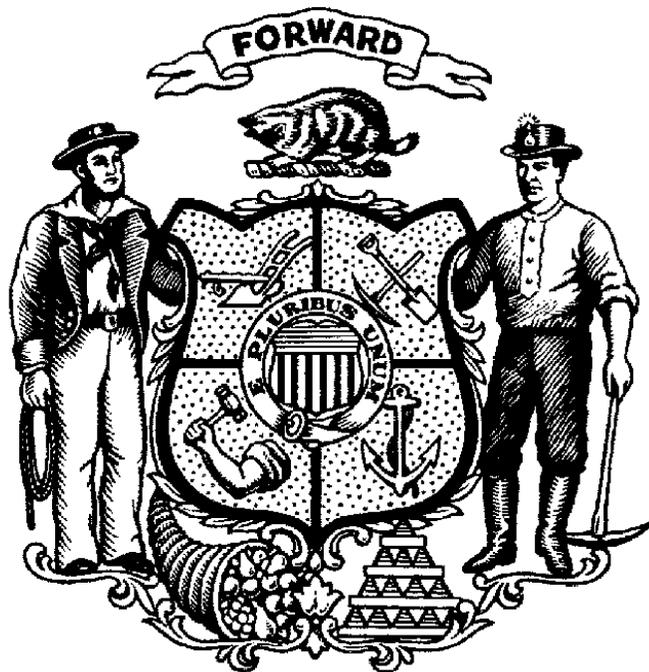
was not reduced. The Filing Fees Appropriation is the portion of the budget which will help fund the upgrades to CFIS. In light of that project, it did not make sense to reduce that appropriation. Obviously, due to the minimal amount appropriated for Materials & Services, that was not a significant enough sum to substantially assist in the required reduction.

The actual budget submission can be difficult to follow. It's my hope that this memo clearly lays out for the Commission the 2019-2021 Budget submission and the rationale for the reductions in the 5% Reduction Plan. However, in case a Commissioner is curious about digging a little deeper into the weeds, I've enclosed the draft submission with this memo.

Enclosures: 2019-2021 Budget Submission

State of Wisconsin

Ethics Commission



Agency Budget Request

2019 – 2021 Biennium

September 17, 2018

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Agency Description

The Commission is comprised of six members, who serve for 5-year terms. One member is appointed by the senate majority leader; one appointed by the senate minority leader; one appointed by the speaker of the assembly; one appointed by the assembly minority leader; and two are individuals who formerly served as judges for a court of record in this state, who were elected to the positions in which they served, and who are nominated by the governor with the advice and consent of a majority of the members of the senate confirmed. A detailed description of the appointment of Commissioners is provided in s. 15.62, Stats. The transition plan from the Government Accountability Board to the Ethics Commission put forth by the Department of Administration established a rotational term schedule of the Commissioners. The Commission elects a chair and vice-chair from its members by a majority vote.

The administrator serves as the agency head and is responsible for the daily operations of the Commission. The Commission staff is non-partisan, including the administrator. The agency has a staff of 4.55 GPR and 3.45 PR full-time employees.

The Commission administers and enforces Wisconsin law pertaining to campaign finance, lobbying, and the Code of Ethics (ch. 11, campaign finance; subch. III, lobbying; and, subch. III, the code of ethics). The duties of the Ethics Commission are codified in ss. 11.1304, 13.685, and 19.48, Stats..

Additional information is available on the Ethics Commission's website at <https://ethics.wi.gov> about the Commission, its members and staff, meetings, and resources provided to the public.

Commission activities are arranged by five general functions:

1. General administration
2. Assistance to state public officials, candidates, lobbyists, principals, political committees and officeholders
3. Assistance to local governments
4. Education and training
5. Enforcement

Within these functional areas, the Commission develops policy, issues formal and informal opinions, promulgates administrative rules, prescribes procedures and forms, audits disclosure reports, carries out investigations, conducts hearings and reviews appeals, brings civil actions to assess forfeitures, and related activities.

The Commission has four general program areas which are described below:

Campaign Finance

Wisconsin campaign finance law requires candidates for state public office, political action committees, referenda committees, and independent expenditure committees to register with the Commission, disclose campaign receipts and disbursements, and abide by certain contribution limits and prohibitions. The Commission is responsible for auditing campaign finance reports and enforcing registration and reporting requirements along with limits on the source and amount of campaign funding. Information is available to the public on the Commission website: <http://ethics.wi.gov/campaign-finance>, and through <https://cfis.wi.gov>.

Lobbying

Wisconsin lobbying law regulates registration of businesses, organizations, and individuals that attempt to influence government decisions. Registrants must identify who lobbies on their behalf, issues in which they have an interest, and provide other information, all available to the public on the Commission website: <https://ethics.wi.gov/Pages/Lobbying/LobbyingOverview.aspx>, and <https://lobbying.wi.gov>.

Ethics

The Commission fosters ethical conduct of public officials by advising them about ethics laws and providing information about officials' financial interests to identify any potential conflicts of interest. State public officials file annual Statements of Economic Interests with the Commission online at <http://sei.wi.gov/>, and the trustees and staff of the State of Wisconsin Investment Board file quarterly reports. Information regarding the Commission's ethics-related activities is available to the public on the Commission website: <https://ethics.wi.gov/Pages/Ethics/Ethics.aspx>.

State Purchasing

The Contract Sunshine program is mandated by the Legislature to allow the public to view the process state agencies use to procure goods and services from vendors. Additional information about the program is available on the website: <https://ethics.wi.gov/Pages/Ethics/ContractSunshine.aspx>.

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Mission

The mission of the Ethics Commission is to promote and strengthen the faith and confidence of the people of Wisconsin in their government, support the operation of open and responsible government, preserve the integrity of the governmental decision-making process, and protect the rights of individuals through the administration of Wisconsin's campaign finance, lobbying, and ethics laws, and through readily available and understandable disclosure of information.

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Programs, Goals, Objectives, and Activities

Program 1: Ethics, Campaign Finance, and Lobbying Regulation

- A. Goal: Facilitate compliance with the requirements of Wisconsin's campaign finance, lobbying, and ethics laws.
 - A-1. Objective/Activity: Provide training, educational materials, and assistance to the regulated community and the public, focusing on applicable registration and reporting requirements.
 - A-2. Objective/Activity: Conduct timely audits of registration and report information, consistent with statutory requirements.
 - A-3. Objective/Activity: Provide informal and formal advisory opinions, as well as informal guidance, in a timely manner whenever requested to do so.
- B. Goal: Support the operation of open and responsible government, and preserve the integrity of governmental decision-making, and protect the rights of individuals.
 - B-1. Objective/Activity: Promptly make reported campaign finance, lobbying, and financial disclosure information publicly available.
 - B-2. Objective/Activity: Maintain the Wisconsin Campaign Finance Information System (CFIS), Eye On Lobbying website, and Statements of Economic Interests website in order to facilitate the registration and reporting requirements under applicable Wisconsin Statutes, as well as making the disclosure of reported information readily accessible and understandable.
 - B-3. Objective/Activity: Investigate complaints of possible violations of the ethics code, lobbying law, and campaign finance law and seek appropriate remedies as circumstances merit.

Performance Measures

2017 and 2018 Goals and Actuals

Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018	Actual 2018
1	Percentage of fees received by electronic payment methods	50%	22.6%	65%	46.6%
1	Percentage of campaign finance registrations completed electronically	50%	70.2%	55%	100%
1	Percentage of campaign finance reports filed electronically	50%	74.1%	55%	100%
1	Percentage of campaign finance reports filed on or before the required date	99%	86.7%	99%	91.2%
1	Percentage of lobbyist time reports completed on or before the required date	99%	98.6%	99%	99.6%
1	Percentage of registered principals completing their Statements of Lobbying Activities and Expenditures (SLAEs) on or before the required date	99%	99.1%	99%	99.8%
1	Percentage of required SEIs filed on or before the required date	99%	96%	99%	95%

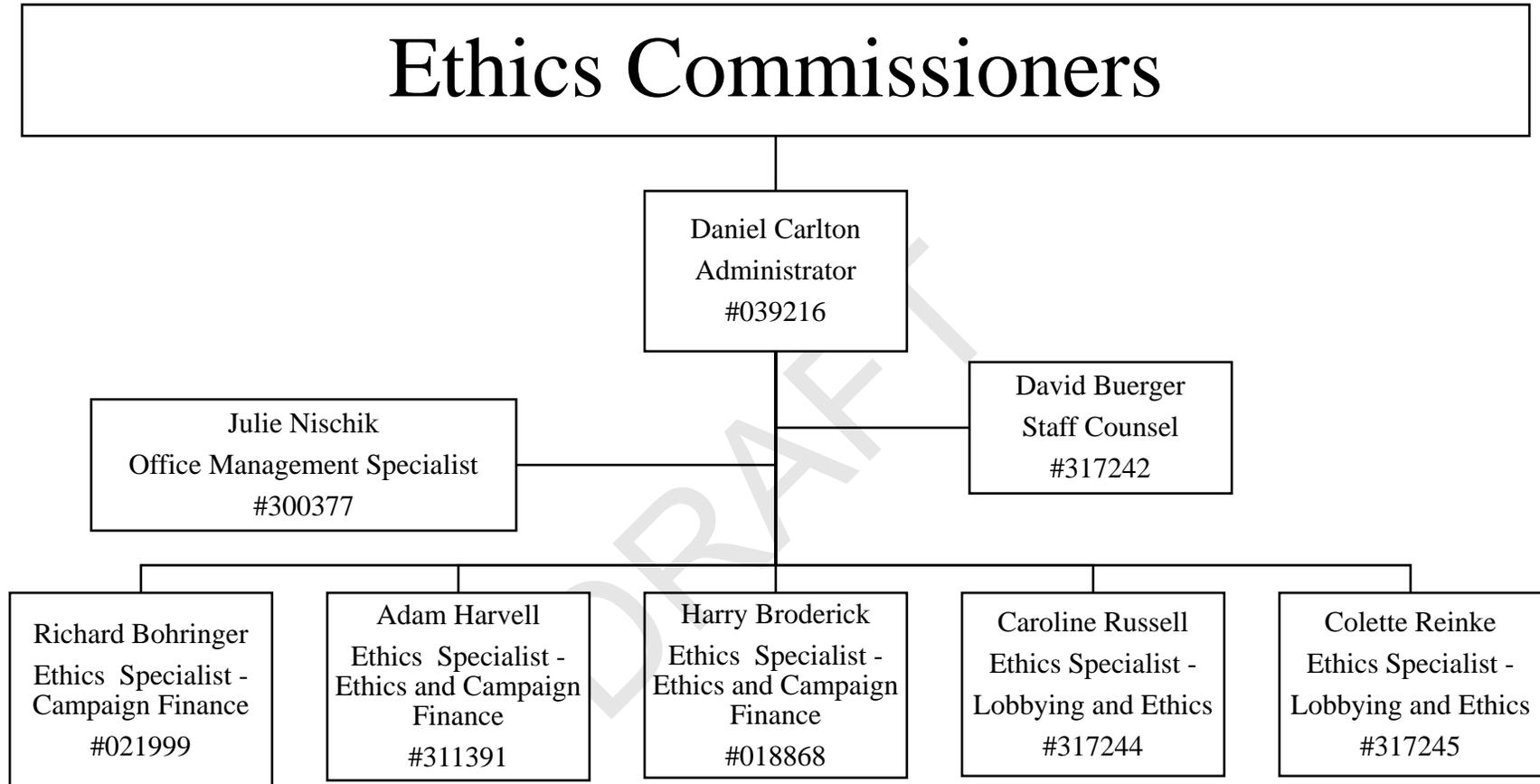
Note: Based on fiscal year. Campaign finance registrations and reports are now required to be submitted electronically. All registrations and reports for Actual 2018 have been submitted electronically, and the Commission no longer accepts any other form of submission.

2019, 2020, and 2021 Goals

Prog. No.	Performance Measure	Goal 2019	Goal 2020	Goal 2021
1	Fees received by electronic payment methods	50%	55%	60%
1	Campaign finance reports filed on/before the required date	92%	95%	99%
1	Percentage of committees in compliance, based on audit findings	90%	93%	95%
1	Lobbyist time reports completed on/before the required date	99%	99%	99%
1	Principals completing their Statements of Lobbying Activities and Expenditures on/before the required date	99%	99%	99%
1	Percentage of principals in compliance, based on audit findings	99%	99%	99%
1	Required Statements of Economic Interest filed on or before the required date	96%	97%	99%
1	Statements of Economic Interest filed electronically	90%	92%	95%

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Organizational chart



Agency Total by Fund Source

Ethics Commission

1921 Biennial Budget

		ANNUAL SUMMARY						BIENNIAL SUMMARY			
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
GPR	S	\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.2%
Total		\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.2%
PR	S	\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.5%
Total		\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.5%
Grand Total		\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.6%

Agency Total by Program

521 Ethics Commission

1921 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
01 ETHICS, CAMPAIGN FINANCE AND LOBBYING REGULATION										
Non Federal										
GPR	\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.22%
S	\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.22%
PR	\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.50%
S	\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.50%
Total - Non Federal	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%
S	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%
PGM 01 Total	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%
GPR	\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.22%
S	\$650,780	\$843,400	\$929,600	\$929,600	4.55	4.55	\$1,686,800	\$1,859,200	\$172,400	10.22%

Agency Total by Program

521 Ethics Commission

1921 Biennial Budget

PR	\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.50%
S	\$360,521	\$501,200	\$543,800	\$543,800	3.45	3.45	\$1,002,400	\$1,087,600	\$85,200	8.50%
TOTAL 01	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%
S	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%
Agency Total	\$1,011,301	\$1,344,600	\$1,473,400	\$1,473,400	8.00	8.00	\$2,689,200	\$2,946,800	\$257,600	9.58%

Agency Total by Decision Item

Ethics Commission

1921 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$1,344,600	\$1,344,600	8.00	8.00
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$93,000	\$93,000	0.00	0.00
4000 Full Funding Administrator, Ethics Specialist	\$34,200	\$34,200	0.00	0.00
4001 Full Funding for Per Diem	\$1,600	\$1,600	0.00	0.00
TOTAL	\$1,473,400	\$1,473,400	8.00	8.00

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Program Revenue

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
PROGRAM	01	Ethics, campaign finance and lobbying regulation
SUBPROGRAM		
NUMERIC APPROPRIATION	20	General program operations; PR

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$37,700	\$202,900	\$211,200	\$209,500
Filing Fees	\$165,200	\$40,000	\$30,000	\$40,000
Total Revenue	\$202,900	\$242,900	\$241,200	\$249,500
Expenditures	\$0	\$31,700	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$31,700	\$31,700
Total Expenditures	\$0	\$31,700	\$31,700	\$31,700
<u>Closing Balance</u>	\$202,900	\$211,200	\$209,500	\$217,800

Program Revenue

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
PROGRAM	01	Ethics, campaign finance and lobbying regulation
SUBPROGRAM		
NUMERIC APPROPRIATION	21	Gifts and grants

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$17,600	\$17,600	\$17,600
Gifts and Grants	\$17,600	\$0	\$0	\$0
Total Revenue	\$17,600	\$17,600	\$17,600	\$17,600
Expenditures	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0
<u>Closing Balance</u>	\$17,600	\$17,600	\$17,600	\$17,600

Program Revenue

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
PROGRAM	01	Ethics, campaign finance and lobbying regulation
SUBPROGRAM		
NUMERIC APPROPRIATION	22	Materials and services

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$300	\$11,000	\$6,500	\$2,000
Copying Fees	\$15,200	\$0	\$0	\$0
Total Revenue	\$15,500	\$11,000	\$6,500	\$2,000
Expenditures	\$4,500	\$4,500	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$4,500	\$2,000
Total Expenditures	\$4,500	\$4,500	\$4,500	\$2,000
<u>Closing Balance</u>	\$11,000	\$6,500	\$2,000	\$0

Program Revenue

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
PROGRAM	01	Ethics, campaign finance and lobbying regulation
SUBPROGRAM		
NUMERIC APPROPRIATION	23	Lobbying admin; PR

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$346,300	\$395,800	\$560,000	\$163,300
Lobbying Fees	\$405,500	\$620,000	\$90,000	\$620,000
Total Revenue	\$751,800	\$1,015,800	\$650,000	\$783,300
Expenditures	\$356,000	\$455,800	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$465,000	\$465,000
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	\$21,700	\$21,700
Total Expenditures	\$356,000	\$455,800	\$486,700	\$486,700
Closing Balance	\$395,800	\$560,000	\$163,300	\$296,600

Decision Item (DIN) - 2000

Decision Item (DIN) Title - Adjusted Base Funding Level

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Decision Item by Line

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
	CODES	TITLES
DECISION ITEM	2000	Adjusted Base Funding Level

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$446,700	\$446,700
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$2,300	\$2,300
05	Fringe Benefits	\$172,400	\$172,400
06	Supplies and Services	\$721,600	\$721,600
07	Permanent Property	\$1,600	\$1,600
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$1,344,600	\$1,344,600
18	Project Positions Authorized	0.00	0.00

19	Classified Positions Authorized	7.00	7.00
20	Unclassified Positions Authorized	1.00	1.00

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Decision Item by Numeric

Ethics Commission

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	2000	Adjusted Base Funding Level			
01	Ethics, campaign finance and lobbying regulation				
	01 General program ops; GPR	\$618,400	\$618,400	4.55	4.55
	05 Investigations	\$225,000	\$225,000	0.00	0.00
	20 General program operations; PR	\$31,700	\$31,700	0.00	0.00
	22 Materials and services	\$4,500	\$4,500	0.00	0.00
	23 Lobbying admin; PR	\$465,000	\$465,000	3.45	3.45
	Ethics, campaign finance and lobbying regulation SubTotal	\$1,344,600	\$1,344,600	8.00	8.00
	Adjusted Base Funding Level SubTotal	\$1,344,600	\$1,344,600	8.00	8.00
	Agency Total	\$1,344,600	\$1,344,600	8.00	8.00

Decision Item by Fund Source

Ethics Commission

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	2000	Adjusted Base Funding Level				
	GPR	S	\$843,400	\$843,400	4.55	4.55
	PR	S	\$501,200	\$501,200	3.45	3.45
	Total		\$1,344,600	\$1,344,600	8.00	8.00
Agency Total			\$1,344,600	\$1,344,600	8.00	8.00

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Decision Item (DIN) - 3003

Decision Item (DIN) Title - Full Funding of Continuing Position Salaries and Fringe Benefits

NARRATIVE

Standard Budget Adjustment - Full Funding of Continuing Position Salaries and Fringe Benefits

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Decision Item by Line

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
	CODES	TITLES
DECISION ITEM	3003	Full Funding of Continuing Position Salaries and Fringe Benefits

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$68,600	\$68,600
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$24,400	\$24,400
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$93,000	\$93,000

18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

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Decision Item by Numeric

Ethics Commission

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3003	Full Funding of Continuing Position Salaries and Fringe Benefits			
01	Ethics, campaign finance and lobbying regulation				
	01 General program ops; GPR	\$70,500	\$70,500	0.00	0.00
	23 Lobbying admin; PR	\$22,500	\$22,500	0.00	0.00
	Ethics, campaign finance and lobbying regulation SubTotal	\$93,000	\$93,000	0.00	0.00
	Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal	\$93,000	\$93,000	0.00	0.00
	Agency Total	\$93,000	\$93,000	0.00	0.00

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Decision Item by Fund Source

Ethics Commission

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3003	Full Funding of Continuing Position Salaries and Fringe Benefits				
	GPR	S	\$70,500	\$70,500	0.00	0.00
	PR	S	\$22,500	\$22,500	0.00	0.00
	Total		\$93,000	\$93,000	0.00	0.00
Agency Total			\$93,000	\$93,000	0.00	0.00

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Decision Item (DIN) - 4000

Decision Item (DIN) Title - Full Funding Administrator, Ethics Specialist

NARRATIVE

In February 2018, the Ethics Commission appointed a temporary Administrator until a permanent replacement could be hired. The temporary Administrator performed those duties through August 31, 2018. The temporary administrator was hired from within the Commission's existing staff, and due to the temporary nature of the position, the Commission decided to keep the position at a salary level that is within the range of an Ethics Specialist. The Commission's intent was to return the temporary administrator to the Ethics Specialist position after a permanent Administrator was hired. The Ethics Commission extended an offer to hire an Administrator at a rate of \$48.56 per hour on July 30, 2018, which was accepted. The Administrator started work on September 4, 2018. The candidate was selected from out of state, so needed a later start date in order to move to Wisconsin. Concurrent to the hiring of a new Administrator, Ethics Commission staff were completing the process of hiring an Ethics Specialist that was vacant from March through August 2018. The Ethics Specialist was hired at the same rate as all other Ethics Specialists who are newly hired, \$25 per hour. Due to the process of establishing the Full Funding of Continuing Position Salaries and Fringe Benefits (SBA3003), the snapshot, that was taken on September 1, 2018, that was used for the standard budget adjustment did not include the actual salaries of these two new hires. The timeframe used to establish Full Funding of Continuing Position Salaries and Fringe Benefits was one pay period before the two new staff started work. The Ethics Commission is requesting these two positions be fully funded for the biennium. Given the Commission's limited budget, it would be a strain on the programs to fund these positions from the base budget. In light of the foregoing, the Ethics Commission is requesting additional GPR and PR funds to fully fund two existing FTE positions, that were filled as of 9/4/2018. For each year of the Biennium, the Commission requests \$14,100 in GPR, and \$20,100 in PR to fully fund salary and fringe.

Appropriations 101 & 123 Combined			
a	Full Funding Salary Level (Administrator and Ethics Specialist)	153,005	
b	Full Funding (adjusted)	153,005	
c	Subtract B1 Amount Salary	-127,795	
d	DIN 4000 Salary Amount (b-c)		25,210
e	DIN 4000 Salary Amount, Rounded		25,200
f	Full Funding Salary Level (Administrator and Ethics Specialist)	153,005	
g	Apply New Agency Full Fringe Rate	0.3560	
h	Permanent/Project Fringe Required		54,470
m	Subtract Adjusted Base Fringe (based on B1)	-45,495	
n	DIN4000 Fringe Amount (h-m)		8,975
o	DIN4000 Fringe Amount, Rounded		9,000

*See Appendix C for 2019-21 agency fringe rates

Breakdown - Appropriations 101 and 123 separated

Appropriation 101			
a	Full Funding Salary Level (Administrator and Ethics Specialist)	66,402	
b	Full Funding (adjusted)	66,402	
c	Subtract B1 Amount Salary	-55,981	
d	DIN 4000 Salary Amount (b-c)		10,421
e	DIN 4000 Salary Amount, Rounded		10,400
f	Full Funding Salary Level (Administrator and Ethics Specialist)	66,402	
g	Apply New Agency Full Fringe Rate	0.3560	
h	Permanent/Project Fringe Required		23,639
m	Subtract Adjusted Base Fringe (based on B1)	-19,929	
n	DIN4000 Fringe Amount (h-m)		3,710
o	DIN4000 Fringe Amount, Rounded		3,700

Appropriation 123			
a	Full Funding Salary Level (Administrator and Ethics Specialist)	86,603	
b	Full Funding (adjusted)	86,603	
c	Subtract B1 Amount Salary	-71,814	
d	DIN 4000 Salary Amount (b-c)		14,789
e	DIN 4000 Salary Amount, Rounded		14,800
f	Full Funding Salary Level (Administrator and Ethics Specialist)	86,603	
g	Apply New Agency Full Fringe Rate	0.3560	
h	Permanent/Project Fringe Required		30,831
m	Subtract Adjusted Base Fringe (based on B1)	-25,566	
n	DIN4000 Fringe Amount (h-m)		5,265
o	DIN4000 Fringe Amount, Rounded		5,300

	101 Salary	123 Salary	101 Fringe	123 Fringe
Administrator - B1 funding	\$ 31,665.92	\$ 47,498.88	\$ 11,273.07	\$ 16,909.60
Administrator - Full Funding	\$ 40,401.92	\$ 60,602.88	\$ 14,383.08	\$ 21,574.63
Administrator - DIN4000	\$ 8,736.00	\$ 13,104.00	\$ 3,110.02	\$ 4,665.02
Ethics Specialist - B1 Funding	\$ 24,315.20	\$ 24,315.20	\$ 8,656.21	\$ 8,656.21
Ethics Specialist - Full Funding	\$ 26,000.00	\$ 26,000.00	\$ 9,256.00	\$ 9,256.00
Ethics Specialist - DIN4000	\$ 1,684.80	\$ 1,684.80	\$ 599.79	\$ 599.79

Amount Requested - DIN4000	\$ 10,420.80	\$ 14,788.80	\$ 3,709.80	\$ 5,264.81
Amount Requested - DIN4000 rounded	\$ 10,400.00	\$ 14,800.00	\$ 3,700.00	\$ 5,300.00

Amount Requested - 101	\$ 14,100.00
Amount Requested - 123	\$ 20,100.00

Job Title	Plan	Grade	Total Hrly as of 9/1/18	Actual Hourly as of 9/4/18	Difference	Position Type	Dist %	FTE in B2	Annualized Salary	Annual \$ By FTE in B2	Fund Src
INDEF AG APPT-20.923 (4) ESG 4	90	04	38.06	48.56	10.50	Appointed	40	0.4	101,000.00	40,400.00	GPR
INDEF AG APPT-20.923 (4) ESG 4	90	04	38.06	48.56	10.50	Appointed	60	0.6	101,000.00	60,600.00	PR,PR
ETHICS SPECIALIST-SEN	07	03	23.38	25.00	1.62	Permanent	50	0.5	52,000.00	26,000.00	GPR
ETHICS SPECIALIST-SEN	07	03	23.38	25.00	1.62	Permanent	50	0.5	52,000.00	26,000.00	PR,PR

Decision Item by Line

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
	CODES	TITLES
DECISION ITEM	4000	Full Funding Administrator, Ethics Specialist

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$25,200	\$25,200
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$9,000	\$9,000
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$34,200	\$34,200
18	Project Positions Authorized	0.00	0.00

19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

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Decision Item by Numeric

Ethics Commission

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4000	Full Funding Administrator, Ethics Specialist			
01	Ethics, campaign finance and lobbying regulation				
	01 General program ops; GPR	\$14,100	\$14,100	0.00	0.00
	23 Lobbying admin; PR	\$20,100	\$20,100	0.00	0.00
	Ethics, campaign finance and lobbying regulation SubTotal	\$34,200	\$34,200	0.00	0.00
	Full Funding Administrator, Ethics Specialist SubTotal	\$34,200	\$34,200	0.00	0.00
	Agency Total	\$34,200	\$34,200	0.00	0.00

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Decision Item by Fund Source

Ethics Commission

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4000	Full Funding Administrator, Ethics Specialist				
	GPR	S	\$14,100	\$14,100	0.00	0.00
	PR	S	\$20,100	\$20,100	0.00	0.00
	Total		\$34,200	\$34,200	0.00	0.00
Agency Total			\$34,200	\$34,200	0.00	0.00

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Decision Item (DIN) - 4001

Decision Item (DIN) Title - Full Funding for Per Diem

NARRATIVE

The Ethics Commission is requesting \$1,600 in GPR to fully fund per diems and fringe for each year of the biennium. The Ethics Commission is required by ss. 15.06 (5), Stats. to meet at a minimum four times per year. The Commissioners receive a per diem of \$115 for each day on which the member attends or participates by audio or video conference call in a meeting of the member's commission (ss. 15.06 (10), Stats.). The current base funding amount for Commissioner per diem is not sufficient to fund the statutorily required number of Commission meetings (four times per year). This request fully funds Commissioner per diems to meet 4 times per year at the current per diem rate. In 2016, the Commission met 7 times. In 2017, the Commission met 7 times. In 2018, the Commission met 13 times as of September 17, 2018, with 1 more meeting scheduled in December 2018. The Commission is planning to meet 5 times in 2019, not including special meetings, which are scheduled ad hoc.

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<p>Wisconsin State 15.06 (5) Statute</p>	<p>Frequency of meetings; place. Every commission shall meet on the call of the chairperson or a majority of its members. Every commission shall maintain its offices in Madison, but may meet or hold hearings at such other locations as will best serve the citizens of this state. The elections commission and the ethics commission shall meet in person at least 4 times each year and shall conduct meetings in accordance with accepted parliamentary procedure.</p>
<p>Wisconsin State 15.06 (10) Statute</p>	<p>Compensation. A member of the elections commission and a member of the ethics commission shall receive a per diem of \$115 for each day on which the member attends or participates by audio or video conference call in a meeting of the member's commission.</p>

DIN4001				
# Meetings	# Commissioners	Per Diem Amount	Annual Amount	
4	6	\$ 115.00	\$ 2,760.00	

Annual LTE Funding (Appropriation 101)	Annual Amount Required	Annual Amount Requested DIN4001	Annual Amount Requested DIN4001 (Rounded)
\$ 1,300.00	\$ 2,760.00	\$ 1,460.00	\$ 1,500.00

LTE Fringe Rate	Annual LTE Fringe Requested DIN4001	Annual LTE Fringe Requested DIN4001 (Rounded)
7.65%	\$ 114.75	\$ 100.00

Decision Item by Line

1921 Biennial Budget

	CODES	TITLES
DEPARTMENT	521	Ethics Commission
	CODES	TITLES
DECISION ITEM	4001	Full Funding for Per Diem

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$1,500	\$1,500
05	Fringe Benefits	\$100	\$100
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$1,600	\$1,600
18	Project Positions Authorized	0.00	0.00

19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

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Decision Item by Numeric

Ethics Commission

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	4001	Full Funding for Per Diem			
01	Ethics, campaign finance and lobbying regulation				
	01 General program ops; GPR	\$1,600	\$1,600	0.00	0.00
	Ethics, campaign finance and lobbying regulation SubTotal	\$1,600	\$1,600	0.00	0.00
	Full Funding for Per Diem SubTotal	\$1,600	\$1,600	0.00	0.00
	Agency Total	\$1,600	\$1,600	0.00	0.00

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Decision Item by Fund Source

Ethics Commission

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	4001	Full Funding for Per Diem				
	GPR	S	\$1,600	\$1,600	0.00	0.00
	Total		\$1,600	\$1,600	0.00	0.00
Agency Total			\$1,600	\$1,600	0.00	0.00

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Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the September 14, 2018 Meeting

TO: Members, Wisconsin Ethics Commission

FROM: Colette Greve, Ethics Specialist

SUBJECT: Campaign Finance System Update

At the August 21, 2018, the Commission discussed options for redeveloping the campaign finance reporting system. Commissioners and staff discussed the timeline for this approach, possible costs, and the next steps. The Commission directed staff to begin exploring the possibility of redeveloping a system through Option 1 (see attached memo excerpt), which would mean utilizing existing software from the State of Massachusetts to develop a customized system for Wisconsin. Earlier this year and in 2017, staff had been communicating with Massachusetts regarding use of the code and software for their campaign filing system. The code and software would be provided to the Commission at no cost. The general costs associated with this option would be hiring a consultant or developer to first review the code and then to develop and customize it.

Staff contacted Massachusetts Office of Campaign and Political Finance (“OCPF”) regarding use of their system’s code and when it could be delivered to the Commission. OCPF is in the process of relaunching an updated version of their reporting software and is launching in November 2018. They informed us that this version is going to be more intuitive and easier to manage.

As discussed at the August meeting, the code from Massachusetts would first need to be analyzed by a consultant or developer to determine if it is possible for us to customize to Wisconsin’s requirements and the needs of the Commission. The State has a contract for IT services contractors with Tapfin. The Commission’s current IT developer was hired through this contract and we could hire a developer through this to begin analyzing the code from Massachusetts and in the future for the actual development. The State requires a specific process to be followed, which staff believes could be completed by November when we would receive the code from OCPF. Hourly rates for contractors/consultants to conduct the review of the code could range from \$46 - \$68.

Another option that staff is exploring is working with the State’s Division of Enterprise Technology (“DET”) to conduct the initial review the Massachusetts code. Staff has been in contact with DET and their application development team to determine if this is something they could work on. DET has informed staff that they would be able to do a quick review of the code to check on the quality of it in about 4-8 hours. DET’s standard consulting rate is \$86/hour for that type of work.

This quick review would be the first step and would allow them to determine if a more in-depth analysis is necessary. Also, this would just be a review of the quality and “health” of the code, the next step would be to review the functionality of the code and how it well it could be customized

to meet our workflow needs and statutory requirements. DET staff did not provide an estimate of how many hours that would require, but could likely provide an estimate after the initial code review process.

Attachment: Excerpt from August 21 Commission Meeting
Biennial Budget Memorandum – Campaign Finance System Upgrade

Campaign Finance System Upgrade

Background on the Campaign Finance Information System (CFIS)

- Original cost: \$1,794,000 to develop
- Current maintenance costs: FY17 \$49,500, FY18 \$49,500, FY19 \$24,750¹
- Timeline: began RFP process in 2007, contract signed February 2008, final deliverables around 2010

In Fall of 2017, Commission staff conducted a survey of CFIS users. The survey is attached as Attachment A. Nearly half of CFIS users report neutral or negative experience with using the website. The system is outdated, and not mobile friendly. Staffs experience in working with PCC has been negative and difficult much of the time, as well as costly. We only have a license to use the application code, not access to the code. Therefore, most changes and updates to the system need to be done through PCC and at additional costs.

	Description	Est. Timeline	Est. Budget
Option 1	Utilize existing software from the State of Massachusetts to develop a customized system for Wisconsin. The Commission would need to hire at least one additional developer to do the majority of the work on customizing the code from Massachusetts to suit the needs of the agency and align with Wisconsin statutes.	One year to develop, one year for training and implementation. Two years total.	Code from Massachusetts is provided at no cost. Hiring a developer for 1 year at \$75/hour = \$156,000 Maintenance costs – part time developer 1,000 hours/year for at least 1 year \$78,000
Option 2	Outsource the project to another vendor, through the Request for Proposal (RFP) process. Not many known vendors can provide this service; PCC is one of few who do this work.	One year to develop business and system requirements, publish the RFP, select a vendor, and sign a contract. One year to develop system, one year for training and implementation. Three years total.	Commission staff would execute the RFP process with the assistance of DOA State Bureau of Procurement and DOA Division of Enterprise Technology. Cost to develop new software is unknown. PCC recently provided some estimates for updating to the newer version of our current site. This information is

¹ FY19 is reduced because the maintenance contract is only a limited extension for 6 months. All prior maintenance contracts have been for a full year.

			provided below. Annual maintenance costs may be similar or slightly higher than currently.
Option 3	Develop customized system from scratch in house	Six months to develop business and system requirements and hire technical contractors. One year to develop software. One year for implementation and training. Two and a half years total	1 year at \$75/hour = \$156,000 x 2 developers = \$312,000. Annual maintenance costs similar to option 1.

PCC was able to provide us with estimates for updates and redevelopment of our current system. A perpetual right-to-use license for the current CFIS system would be \$125,000. This does not include access to the application code, meaning that all code revisions would need to be implemented through PCC at additional costs. The newer updated version on CFIS would cost an estimated \$499,000. This estimate does not include the license cost or the on-going maintenance and hosting costs. This estimate is for a system that would have some reduced capability and features. It would not include the limited auditing capabilities that the current system has. The new version would also only be a right-to-use license, without access to application code.

PCC also provided an estimate for a SaaS model of licensing. This type of licensing model provides the license on a subscription basis. There would be an initial one-time charge of \$50,000 and a monthly charge of \$11,000 or \$132,000 for a year. The minimum term is 5 years. These estimates include the maintenance and hosting of the system.

Options to potentially include in the Biennial Budget:

- Include a decision item within the budget request to increase spending authority on program revenue (filing fees)
- Include a decision item within the budget request to change filing fee statute to increase the fee to pay for upgrade
- Include a decision item within the budget request to request funds from the state to pay for upgrade